

US: Minnesota to cut two health care programs for the poor

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25 January 2010

Minnesota, traditionally recognized as a leader in providing health care to its citizens, is beginning to see the disintegration of its health care system for the poor. Two high-profile programs will soon end: General Assistance Medical Care (GAMC) will no longer be funded as of March 1; the Critical Access Dental Provider Program (CADPP) expires in April. Hospitals and local authorities are scrambling to find solutions for this pending crisis dumped in their laps by the state government.

GAMC currently provides medical and drug benefits to about 28,000 adults. The program covers adults without dependant children with incomes up to \$677 per month. Many people using GAMC have chronic illnesses, including mental illnesses, and are sometimes homeless. The only income for many recipients is \$203 a month in welfare assistance.

The Minnesota Department of Human Services (DHS) has attempted to minimize the gravity of the loss of GAMC by transitioning GAMC recipients to MinnesotaCare, another state health care program for the poor. The programs, however, are not identical. MinnesotaCare has a \$10,000 per year limit on inpatient hospital care, with a 10 percent co-payment, whereas GAMC has no limit and no co-payment, an important factor for this portion of the population. MinnesotaCare also has higher co-payments for medications. In addition, the approximately 28,000 people who will be automatically enrolled in MinnesotaCare does not take into account the estimated 70,000 who move in and out of the GAMC program in a given year.

The co-payments for MinnesotaCare are \$3 per medication, a significant burden for a person living on \$203 per month who needs multiple medications. Even

the homeless sometimes have to pay housing costs out of their limited incomes if they are among those who are able to find a bed at a homeless shelter, which may cost them about \$120 per month to keep.

DHS will require counties to pay the MinnesotaCare premiums, which average \$5 per person per month, for the soon to be former GAMC recipients during a transition period before the recipients are forced to assume responsibility for the premiums. This move will surely create tension with local governments, which already had \$300 million of aid cut during the budget-balancing process last year and have had to assume responsibility for other functions previously performed by the state.

DHS's professed confidence that the end of GAMC has no real consequence is not shared by hospitals. Art Gonzalez, CEO of Hennepin County Medical Center (HCMC), Minnesota's largest hospital system, told local KARE 11 news, "Once somebody is treated and released, the likelihood of them needing to comply with the eligibility process to remain on the program also becomes somewhat less of a motivation at that point in time." Without coverage, Gonzalez continued, "In all probability, we won't be paid for that care" and "deficits [may] accumulate until it becomes unsustainable."

With an estimated impact on its system alone of \$109 million, HCMC is already closing clinics and plans to cut as many as 200 positions. It has warned that resources directed at disaster preparedness, teaching and training programs for agencies responding to 911 calls, as well as care provided to out-state residents transported to HCMC for life-saving services, will be affected. Statewide, the Minnesota Hospital

Association estimates that the elimination of GAMC will result in over 7,500 job losses.

The strain on hospitals will correspond with a strain on prisons and jails unequipped to handle the serious medical and mental health needs of the increased population of inmates expected due at the end of GAMC. Minneapolis Police Chief Tim Dolan stated, “These individuals know, they will tell you, that if they have a problem finding their meds, they know that if they get arrested, they will get their meds.”

Although the elimination of CADPP may be less dramatic than the elimination of GAMC, it will nevertheless directly affect thousands of Minnesotans and contribute to the overall strain on the health care system, particularly emergency rooms. Although dental disease is almost entirely preventable, some 20,000 Minnesotans visit the emergency room for dental care each year. The loss of CADPP will cause that number to rise significantly at a greatly increased cost. Normal preventative care is around \$250 per year versus a potential \$10,000 cost for general anesthesia alone if necessary at an emergency room.

The dental care gap also highlights growing disparities in Minnesota. Twenty-five percent of children, mostly from low-income families, account for 80 percent of children with tooth decay, and one third of children living in official poverty have untreated cavities versus 13 percent of higher-income peers. While the need for dental care will undoubtedly grow, the Minnesota Dental Association has noted that the \$6.2 million cut of the CADPP may force some clinics to close.

The press coverage concerning budget cuts has largely focused on Republican Governor Tim Pawlenty’s use of his so-called unallotment authority to balance the budget. Unallotment authority in Minnesota allows the governor, when faced with an unforeseen budget crisis, to reduce or eliminate spending previously allocated. The authority has only been used six times in Minnesota’s history, and Pawlenty has accounted for three of those uses.

Pawlenty’s recent use of unallotment created

immediate controversy due to its size, \$2.7 billion, and the manner in which it was used. Pawlenty signed bills authorizing spending and immediately used his unallotment authority to eliminate some of the authorized funds after the legislative session ended. A district court recently ruled that his actions violated the state constitution’s separation of powers doctrine because the legislature’s delegation of budget balancing authority is limited to addressing an unforeseen financial crisis, and does not include use of unallotment as a trump card in budget disputes with the legislature.

The Minnesota Supreme Court will hear Pawlenty’s appeal on an expedited basis. Regardless of the outcome, however, the elimination of GAMC is not at issue, because Pawlenty accomplished that cut through the use of a line-item veto, not unallotment.

Pawlenty’s actions deserve scrutiny, particularly since it is reported he will likely seek the 2012 Republican presidential nomination. The focus on Pawlenty, however, masks the role of the Democratic-controlled legislature, which cut \$4.6 billion on its own last session, including \$537 million from the Health and Human Services budget. Those cuts included reduced or delayed funding to nursing homes, long-term care facilities, hospitals, specialty care providers, and people with disabilities. The legislature will undoubtedly cut more social programs in the coming year as the budget crisis has only increased since last session.

Minnesota is home to 19 Fortune 500 companies and several billionaires. Despite the incredible wealth in the state, combined with growing social inequality, the Democrats in the legislature will do nothing to threaten the private accumulation of wealth no matter how severe the social crisis becomes.



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